

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-48-E - ORDER NO. 2006-475
AUGUST 4, 2006

IN RE: Request of Duke Power Company d/b/a Duke)	ORDER GRANTING
Energy Carolinas, LLC to Change the)	REQUEST
Minimum Bill and Power Factor Adjustment)	
Provisions of Schedule HP-X (SC), Hourly)	
Pricing for Incremental Load, Schedule HP-)	
Flex (SC), Hourly Pricing, and Flexible)	
Baseline)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the request of Duke Power Company d/b/a Duke Energy Carolinas, LLC (“Duke Energy Carolinas”) for approval of modifications to Schedules HP-X (SC) and HP-Flex (SC) tariffs. Duke Energy Carolinas’ request includes a change in the minimum bill calculation provision, a revision in the Power Factor Correction provision, and the addition of wording to the HP-X (SC) tariff that was inadvertently deleted in a prior change. Duke Energy Carolinas claims that these changes will provide greater operating flexibility to its customers, and the Office of Regulatory Staff does not object. The Commission finds that these modifications are in the public interest, and therefore Duke Energy Carolinas’ request is granted.

The proposed modification to the minimum bill calculation provision allows assessment on an annual basis in lieu of a more frequent monthly basis. This change will assist in assuring proper cost recovery and appropriate pricing signals, including a benefit

to customers by allowing months of low demand charges to be potentially offset by months of higher demand charges.

A revision in the Power Factor Correction provision is also proposed for both Schedules that bases the calculation of a bill on the average power factor for the billing month, rather than for each hour. This revision will allow customers to benefit by potentially offsetting hours when the power factor is below 85% with hours when the power factor is above 85%.

In addition, Duke Energy Carolinas requests the addition of language to the Schedule HP-X (SC) that was previously and inadvertently deleted from this tariff under the Incentive Margin provision. This language reads "but shall not be less than zero." Reinstatement of this language affirms the intent of this provision and does not alter its operation since inception of the tariff.

IT IS THEREFORE ORDERED THAT:

For the foregoing reasons, the Commission finds that these modifications are appropriate as well as customer friendly and therefore grants Duke Energy Carolinas request to modify its Schedule HP-X (SC) and HP-Flex (SC) tariffs.


This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL)